



## Nigeria-China Relations and Economic Development

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### Abstract

This work explored the dynamics of Nigeria-China relations from the political and economic points of view between 1999-2023. The primary concern of this paper is to discern the extent Nigeria-China relations is mutually beneficial and how Nigeria can stand to gain more if the relationship is properly aligned to Nigeria's national interest. The central argument of this work is that Nigeria stands to gain more from China than from the West bearing in mind the fact that over one hundred years of Africa's relationship with the West has been largely exploitative and disadvantageous. In this regard, the research employed both primary and secondary sources of data collection. The primary sources relied on first-hand information gathered from the Chinese Embassy as well as key actors within the Nigeria External Affairs Ministry and Key Informant Interviews on experts in Nigeria-China relations. The secondary sources relied on already existing information from libraries, text books, journals and the internet. The theoretical framework employed is the Complex Interdependence Theory. The conclusion drawn from this work is that Nigeria-China relations have not fully developed to the extent of being more beneficial to Nigeria economically and politically. What currently subsists is that China is gaining economically more in terms of trade to Nigeria's disadvantage. However, politically and socio-culturally, the two countries are mutually benefiting due to various diplomatic protocols and cultural exchanges. The study recommended among others that Nigeria must strive to develop her techno-industrial export-oriented base to ensure more symmetric beneficial relationship with China.

**Keywords:** Nigeria, China, Development, Economic Development, Bi-Lateral Relations,

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## Introduction

We live in a global world of trade and finance where digital information systems have combined to make the world highly interdependent such that no nation can do without another. The history of Nigeria-China relations is largely a recent one bearing in mind that China was never a colonial power unlike Britain and other European powers. In this sense, China's relationship with Africa and Nigeria in particular became more prominent largely as a result of the persistent failure of the West to provide the necessary economic and political foundations needed to sustain the continent. Therefore, as China became more powerful economically and politically, it became clearer to the West that they cannot stop the emerging giant from exerting influence in developing countries of Africa and Nigeria in particular ( Ubi, 2014).

China's recent economic and political inroad into Nigeria makes the examination of Nigeria-China relations very imperative. Indeed, China is interested in Nigeria considering the fact that the country has the largest potential more than any other country in the continent in both human and material terms. There is no doubt that the two countries are of geographic and demographic significance in their respective regions. Nigeria is a country that cannot be relegated in Africa, hence her description as the 'the gateway to Africa'. (Akinterinwa, 2013). It is indeed an ever-present fact that no nation of the world can exist in a state of autarky or self-sufficiency. In a globalised world as we have it today, countries need one another to survive and this prompted the need to carefully examine the relationship between Nigeria and China especially as it concerns the area of politics and economy.

Nigeria is a country that cannot be ignored in Africa. In the 21st century, China is an economic colossus. Both Nigeria and China seek to explore and discover how to strengthen not only diplomatic ties but also deepen economic and technical fields of cooperation. Both want to create mutually beneficial deals by narrowing their differences in order to go beyond normal diplomatic relations. The two countries need to work hard and proactively too in creating mutually beneficial exporting and importing activities and tariffs. The importance of Nigeria-China relations cannot be overemphasized; the two countries have many important similarities. Both are developing countries with great influence and are newly emerging and frontier markets with strong prospects for economic growth and development. China, with a population of over 1.412



billion, is the most populous nation in the world until 2022 (UN-DESA, 2023). Nigeria, with a population of over 220 million, is the most populous in Africa (Global data, 2021; World Bank, 2021). In terms of resources, China, just like Nigeria is well- endowed. China is ready in all intents and purposes to cooperate with the Nigeria; the giant of Africa. The view of Premier Li Keqiang says it all. According to him, “We are happy to see a fast developing Nigerian economy. It has become Africa’s largest economy and keeps rising...I believe we’ll motivate each other”. (China and the World, 2015:12). However, comparatively Nigeria is still a struggling economy while China is both the fastest growing and second largest economy in the world. The present locale of China in the world economic system cannot be ignored by a struggling economy like Nigeria. Logically, too, in a fast changing world system, China cannot ignore Nigeria in both economic and overall strategic considerations in Africa.

Historically, it is on record that the relation between Nigeria and China is quite a recent one. Although Nigeria traded with China informally in the 1950s, official engagements between Nigeria and China occasioned by China’s offer of a bilateral trade relations started in 1971 (Odeh,2014). Ubi (2014) opines that in specific terms, Nigeria- China relations have spanned over four decades, dating back to 10 February, 1971 since normalization of relations, both countries have consistently viewed themselves as partners in development. Their relationship has covered areas like politics, economy (trade, investment, aid, technology).Ogunsanwo (2008) noted that this relationship has not flowed without hitches as China’s support for the Movement for the Liberation of Angloa (MPLA) had an effect on the political relationship with Nigeria but did not affect the economic and trade relations. Egbo (2003) maintained that following the rejection of Sani Abacha’s regime by the West because of its attainment of a pariah status among committee of nations, the relationship became fully pronounced during his era as he opened Nigeria’s windows and doors for the Asian giant to step in. Ever since then, the relationship between these two countries has been growing in leaps and bounds. LSE Press (2023) report notes that the EU is Africa’s largest trading partner, before China and intra-African trade. However, the increase in the volume of trade relations between these two countries and its concomitant impact on Nigeria’s economic development remains a subject of constant debate.



The relationship between Africa and the West has been one anchored on a master-servant basis. After attaining political independence from the West, African countries and Nigeria in particular became traditional trade and political partners with their erstwhile colonial masters. Obviously from existing facts, the many years of this relationship has been overly exploitative and to Africa's disadvantage. One point that is worth mentioning however is that there have been many criticisms that have trailed Chinese ventures and presence in Africa and Nigeria in particular. These criticisms are mainly championed by some members of the Nigerian public, political pundits and national and international media. These groups are quite critical of China's rise in Africa, pointing to a new scramble for Africa's resources by China, conversion of Africa as a dumping ground for China's fake and substandard products, support for dictatorial and corrupt regimes, under the guise of non-interference and therefore constituting a threat to Western interests and democratization on the continent. There are too many generalizations and misrepresentation of facts mostly orchestrated by the Western media such as that China is just looking for raw materials; China is exploiting Africa; China is a neo-colonialist, China is imperialist and has nothing to offer to Africa. Other scary stories about the prospects for Africa-China and Nigeria-China relations in the short and long term abound. Of course many of those making up these stories are from the West as well as pro-Western Nigerian public and scholars who want the perpetuation of the status quo ante.

The assumption by many that China is exploiting Africa just as the West and advanced countries and thus deepens Africa's dependence and underdevelopment is very worrisome and hence requires scholarly investigation. On the other hand, personal observations and interactions by the researcher with the Nigerian public reveal that many see the newly burgeoning Nigeria-China relations as a good omen to Nigeria. Apparently, the fact remains that while Africa and Nigeria's previous exploitation took place when the continent was largely under colonialism, today Nigeria is free politically and therefore has a choice as to who to relate with, or could be allowed to exploit it. Perturbed by the foregoing contradictory views on the benefits or otherwise of Nigeria-China relations, this work therefore sets out to x-ray the true state of affairs between the two countries in their relations and interactions with special emphasis on how the relations impacts on Nigeria's economic development.



## Literature Review

### Nigeria-China Relations and Economic Development in Nigeria

In the economic context, globalization has made economic relations central to the foreign policy of most nations and China is no exception. China, as a developing economic power, looks to Nigeria and other market-oriented African nations for resources and opportunities to further its national objectives, which some have suggested are primarily driven by economic considerations (Akintenriwa, 2013). Corroborating this position, Nwogu (2013) opines that:

*“It is recorded that China has continued to provide extensive economic, military and political support to the country over the years. In 2005, this bilateral relationship was upgraded to a strategic Partnership which has Strengthened economic ties, most notably in the area of communication and cultural exchanges.”* Nwogu (2013:158).

China’s giant strides in the economic sphere make her strategic outlook to be primarily for markets and raw materials. Nigeria on the other hand, wishes to also become a regional and global economic player by 2020, of course with technological and human capacity to drive industrialization at home and extend the transformation to West Africa. However, the basic infrastructure necessary to support industrialization is lacking at this time such as roads, electricity, railways, water supply and many others. Nigeria has also remained a mono-cultural economy depending on oil as the dominant source of its revenue Akintenriwa (2013).

While the volume of trade between the two countries rose dramatically, we have also seen more involvement of Chinese Multinational Corporations (MNCs) in the Nigerian economy. Azubuike et al (2024) opined that one of the biggest economies in Africa is Nigeria, and China has made significant investments in the nation's infrastructure development. Chinese MNCs won significant new contracts in Nigeria between 2000-2013, particularly in construction, telecommunications, power and transport (Akintenriwa, 2013). As noted earlier, total Chinese investment in Nigeria was worth US\$6 billion in 2008. Chinese companies prominently, CCEC and Geo-Engineering Corporation (CGC) have been handing the construction of roads (such as rehabilitation of IkotAkpaden-Okoroette in 2003-04 for US\$5.7); railways (light rail projects in Abuja, Lagos and between Abuja and Kaduna); construction of the corporate headquarters of the Nigerian Telecommunications Commission in Abuja at US\$16.7 million; construction of the



Lekki Free Trade Zone near Lagos. In the area of communication, Chinese telecommunications companies have also moved into the Nigerian market. The Zhong Xing Telecommunication Equipment Company (ZTE) manufactures handsets in Nigeria and supplies equipment to service providers such as MTN, Airtel, Glo, and Visafone. Chinese companies in Nigeria are officially estimated at about 30, employing 40,000 persons.

To boost her economic drive in Nigeria, China has a lot of investments and companies in the country. The major Chinese companies in Nigeria are mostly state-owned enterprises. Some of these are Sinopec (oil and gas), CNPC (oil and gas), SEPCO (electricity power construction), CCECC (construction and real estate), CSCEC (construction and real estate), CNOON (offshore oil and gas), Sinoma (cement engineering construction), CGC (construction), Huawei (telecoms) and Zhong Xing Telecommunication (ZTE) (telecoms). In the Nigerian telecoms sector, ZTE and Huawei dominate (Egbula and Zheng 2011: 12). According to Ogunkola et al. (2008) Chinese economic interest in Nigeria can be broadly classified into two:



On the other hand, some are wholly foreign owned either by Chinese or in partnership with other foreign investors. Some Chinese or in investment have also benefited from investment incentives in the country as pioneer status and expatriate quotas have been granted some of these companies. Ogunkola et al (2008) noted that public investment and economic activities of Chinese in Nigeria have also gained prominence in recent times .This is not unexpected given the high profile engagements witnessed at the political level. This type of investment spanned different areas of the Nigerian economy and prominent among them are those in oil and gas, construction especially building of infrastructure.

According to business registration document obtained from the Nigeria Investment Promotion Commission (NIPC) in Abuja, there are 208 registered Chinese companies doing business in Nigeria (NIPC, 2013). The major Chinese companies in Nigeria are mostly state-owned enterprises. Some of these are Sinopec (oil and gas), CNPC (oil and gas), SEPCO (electricity power construction), CCECC (construction and real estate), CSCEC (construction and real estate), CNOON (offshore oil and gas), Sinoma (cement engineering construction), CGC (construction), Huawei (telecoms) and Zhong Xing Telecommunication (ZTE) (telecoms). In the Nigerian telecoms sector, ZTE and Huawei dominate (Egbula and Zheng 2011: 12). According to business registration document obtained from the Nigeria Investment Promotion Commission (NIPC) in Abuja, there are 208 registered Chinese companies doing business in Nigeria (NIPC, 2013).

Nigeria and China have had several Bilateral Trade Agreements and MOU's. This has been done in order to build investors' confidence. Some of these agreements are clearly displayed in the table below:



**Table 1: Some Nigeria-China Bilateral Agreements**

Type of Agreement	Bodies Involved	Date of Ratification
Bilateral Trade Agreement	Nigeria and Chinese Government	27 <sup>th</sup> August, 2001
Memorandum of Understanding on Investment Cooperation	Ministries of Commerce of both countries	28 <sup>th</sup> February, 2006
Memorandum of Understanding on Economic Cooperation Agreement	Nigeria and GuandongXinguang International Group of China	15 <sup>th</sup> March, 2006
Investment Promotion and Protection Agreement (IPPA)	Nigeria and Chinese Government	Signed in 2001 but ratified on 31 <sup>st</sup> December, 2002
Memorandum of Understanding	Federal Ministry of Industry, Trade and Investment of the Federal Republic of Nigeria and Asia and Africa International Investment Company on Investment on Automobile, Exhibition Centres, Construction of Industrial Zone and Eco-Agricultural Zone	11 <sup>th</sup> July, 2013

Source: Federal Ministry of Industry, Trade and Investment, Nigeria, (2014)

China has in addition to her various developmental strides in the continent of Africa and Nigeria in particular, provided aids. One of conflicting areas of China's engagements with Africa is whether Chinese aid is primarily intended to engender development in Africa or to buy access to resources (Garth Le Pere 2007; Taylor 2010). Moyo (2012) contends that China's aid is pro-quit-pro: China, of course, gains access to commodities, but host countries get loans to finance infrastructure developmental programs in their economies, they get to trade (creating incomes for their domestic citizenry), and they get investments that can support much-needed job creation.

According to Ubi (2014), Chinese aid to Africa takes two forms: aid in-cash and aid in kind (aid in infrastructural development). China has extended aid to Nigeria in the form of soft loans and grants to aid infrastructural development in the country (MOFA, 2013) while, in return, it has access to Nigeria's oil. However, it should be understood that, most of the aid that China gives is bilateral and tied to the use of Chinese firms and supplies. Suffice to argue here that, by tying aid to the use of Chinese firms and supplies, in itself is a form of condition for aid, even if it is not a political conditions as is often imposed by the West. In that stead, it is important to mention here that the percentage of agreed aid that comes into Africa (Nigeria) often times comes in the form





of materials as well as labour, but with elements of commitment on the part of the Chinese to deliver without much ado. (Ubi, 2014).

## **Challenges Impeding Nigeria-China Relations**

### **Chinese Sub-Standard Products in Nigeria**

Chinese substandard products particularly pharmaceuticals and other consumer items have found their way into Nigeria. This is indeed a worrisome issue bedeviling Nigeria-China relations. In a Key Informant interview we had with Dr. EfemUbi, a senior research fellow at the Nigerian Institute of International Affairs and an expert in Asia and China affairs, he averred that:

*“that the issue of substandard products is as a result of corruption from both countries. To him, corruption on the part of Chinese agents at their ports and borders makes it possible for substandard products to leave their country. Coming to Nigeria, the relevant agencies responsible for intercepting fake and substandard products are easily compromised. Also, he added that Chinese visa policies to Nigeria of late contributes to this; a state of affairs whereby China does not allow for the extension of visas issued to Nigerian business unlike the two-week grace granted to nationals of other countries.”*

This does not allow Nigerian business men to carefully monitor their products. At the expiration of their 3-month visas, these business men are given orders to return to Nigeria. Upon return, their goods are also sent to them without due monitoring thus giving rise to fake and substandard products coming into the country from China. In his remarks, Ambassador V. N. Chibundu, president of the Nigeria, China Friendship Association said that this trend is necessitated by collaboration of some people in the two countries and that this has been hindering the bilateral relationship between both countries (Guardian, 2001). In a feature article by This Day (3 October, 2015), titled ‘Chinese Firms and Killer Tyres’, it was reported that a Chinese tyre manufacturer, in conspiracy with some unscrupulous Nigerian business tycoons, has shipped several containers of deformed and substandard car tyres to Nigeria. Although these tyres were intercepted by members of the Nigerian Standard Organization (NSO), it goes to further buttress the danger posed by these substandard products. This is one of many cases where substandard products are shipped in from China to Nigeria and these products are mainly consumer items and pharmaceuticals.



According to members of the Conference on National Political Parties (CNPP), some are celebrating the tremendous rise of Nigeria-China bilateral trade relations from \$2 billion in 2002 to \$13 billion in 2012 forgetting that Chinese cheap and fake products not only dominate the trade but stifle our local industries. (Guardian, 15 July 2013; Iroka et al, 2021).

### **Unfavourable Balance of Trade**

In any trade deal between nations, the trading countries often expect gains of various kinds in the arrangement. From the Nigerian perspective, it is expected that its business relationship with China will be in tune with one of the major goals of the New Partnership for Africa's Development (NEPAD), which according to Musila and Sigue, (2006) is to achieve and sustain an average gross domestic product (GDP) growth rate of at least 7 per cent per annum. This is expected to reduce the proportion of Africans living in poverty by half by the year 2015 (Musila and Sigue, 2006). The relevant point here is that the benefits of Sino-Nigeria trade were accruing to China rather than Nigeria and that Nigeria could have, if she wished, disconnected the commercial ties with China without any adverse repercussions on her (Ogunsawo, 1974; Chibundu, 2000). The volume of trade and investment between Nigeria and China continued to grow at low levels until rapid growth turned China in 1993 from a net exporter of crude oil to the second largest importer of crude oil in the world. With China's voracious demand for energy to feed her booming economy, the volume of trade and investment between her and Nigeria has accordingly increased in recent times. Once the largest oil exporter in Asia, China became a net importer of oil in 1993. By 2045, China is projected to depend on imported oil for 45 per cent of her energy needs. The country therefore needs supplies from relatively low cost African or Middle Eastern sources (Onuoha, 2008).

Nigeria and China have signed a number of "bilateral trade and investment agreements" to offer each other the most favoured treatment further heightened the trade development debate, (Omoju and Adesanya, 2012). For instance, Nigeria's volume of trade has increased significantly over the years without a corresponding and major increase in growth and development. Empirical studies have also not been conclusive. For instance, according to Appleyard et al (2006), there is a common misconception that China's economic growth is taking place at the expense of its many trading partners- Nigeria being its largest trading partner in Africa. However, in contrast to



the above assertion, a critical overview of the impact of Chinese investment and trade on the growth and development of Nigeria as explicated by Nabine, (2009), shows that in the short-term, the bilateral trade does not contribute to Nigeria's economic growth but the long-term relationship can enhance Nigeria's economic growth.

Coe and Helpman (1995), using time-series data show that trade affects economic growth positively through technological transfer (Bayoumi et al; Coe & Moghadam, 1993; Lin, 200; Drabek & Laird 1998). According to the News Watch Times Magazine (Sept, 2014), China's recent report has disclosed that her volume of trade with Nigeria in 2014 was about N38.1 Trillion (\$818.1 billion), prompting economists and financial experts to wonder what economic benefits the country stands to gain in the relationship.. According to the National Mirror (2013), Nigeria may have become the largest dumping market for Chinese products, recording a whopping N648.16 billion trade deficit with China in the first half of the current year.

### **Some Chinese Unfair Policies towards Nigeria**

Sino-Nigeria relations have recorded some unfair policies and practices meted out to Nigerians. These unfair treatments find expression in the areas of unfair visa policies, racism, and poor wages to Nigerians, etc. It is very hard for Nigerian business men to access visas to China. When these visas are finally gotten, the process of extension upon expiration is usually stressful. Quite worrisome is the fact that despite claims to friendly relations, the age-long view by critics that China does not keep to its promises recurs in its relations with Nigeria. Kurlantzick (2007). The Chinese government has not reciprocated the friendly visa regime that Nigeria extends to its officials. The Nigerian Diplomatic Missions in consonance with Federal Government's directives issue visas within forty-eight hours and accord courtesies to Diplomatic Notes. However, the Chinese Diplomatic Missions in Abuja and Lagos have not only consistently delayed issuance of visas; they have also on a number of occasions limited the number of entries granted to officials (MOFA 2013).

Nigerian businessmen and petty traders are the most affected by the Chinese visa regime because they are required to submit invitation letters from a few designated Chinese companies and most of the time they do not have access to these companies, thus leading to exploitation by the



Chinese visa agents (MOFA 2013). In addition, in the area of Immigration, a lot of bad reports have been recorded. There are about 17,000 legal Chinese residents in Ogun and Lagos states, of the south-west of Nigeria (Vanguard 2013), while officially 50,000 Chinese nationals live in Nigeria as a whole (Taylor 2007: 631). However, unofficially there may be more than one million Chinese nationals working either as local business people, artisans, or contractors in Nigeria (Gbadamosi & Oniku 2009: 124).

There are about 366 Nigerian prisoners registered by the Nigerian Mission in China: “of this number, 322 are serving jail terms ranging between 10 years and suspended death sentences. The remaining 44 prisoners are serving less than 10 year terms” (MOFA, 2013). Furthermore, Chinese companies in Nigeria record poor labour practices. In 2002, more than 120 workers locked within a Chinese-owned rubber factory in Ikorodu Lagos got burnt to death (Ahiuma-Young, Akoni & Ehigiator 2002). In 2010, Shelter Watch, a pro-artisan NGO, marched on to the head office of Dangote Industries in Lagos to protest loss of jobs by Nigerian artisans to their Chinese counterparts. In 2012, Shelter Watch organised another protest march tagged ‘*liberation walk*’ from Dangote Industries head office to the Chinese Embassy in Lagos, but the protest did not make it to the news (Shelter Watch, 2013).

Dr. Ubi, also narrated the ugly experience he has witnessed in China. In his statement, “*there is no single Nigerian or even a national of other countries that operates retail outlets in China. Not a single one! Coming down to Nigeria, the Chinese establish retail outlets like eateries or small scale businesses. This is an unfair practice that does not allow for the indigenous growth of local businesses and is also against the principle of reciprocity in international relations*”

### **Theoretical Framework**

The theoretical framework employed in this work is the ***Complex Interdependence Theory***. The theory was put forward by Robert Keohane and Joseph Nye. The thesis of the theory is that states and their fortunes are inextricably tied together and that in, both weak and strong economies have something to gain in a relationship, no matter the proportion. With the analytical construct of complex interdependence in their critique of political realism, “Robert Keohane and Joseph Nye went a step further and analysed how international politics is transformed by interdependence” (Crane & Amawi 1997: 107-109). Keohane and Nye (1998) have tried hard



to establish that international relations is characterised by cooperation and interdependence with win-win, mutually benefiting outcomes. What this means is that. The theorists recognized that the various and complex transnational connections and interdependencies between states and societies were increasing, while the use of military force and power balancing are decreasing but remain important.

In applying this theory to this work, it is instructive to mention the fact that there is no all-time best prescriptive theory for analyzing issues in International Relations. However, some theories are better than others in analyzing certain issues. Granted, the theory of Complex Interdependence has been criticized by some scholars especially (Dependencia) theorists on the basis that relations between industrialized and lesser developed nations always work in the favour of the former and to the peril of the latter. To these scholars, the relationship is always situated on a winner-takes all basis and does not produce win-win beneficial outcomes. Indeed, no matter how plausible this argument may seem the fact remains that it is just hinged on mere criticism and does not offer solutions as to the way forward. Complex Interdependence Theory analyses relations between nations and points out the realities. It also proffers solutions for countries that benefit lesser in relations to step up their games in order to be at par with the country they are relating with in terms of having mutual gains.

This theory is therefore considered very germane to the study in the sense that it explains the relationship existing between China and Nigeria given the fact that the socio-economic and diplomatic activities existing between the two is such that both countries benefit from each other. It is true that in complex interdependence, the relationship between two countries may be symmetric or asymmetric depending on the level of development of the countries in question. In the case of Nigeria-Sino relations, the relationship is asymmetric because China is more developed scientifically. This does not portray an atmosphere of total dependence of Nigeria on China but shows that Nigeria benefits also. Although her benefits may not be as pronounced as that of China, given the aforementioned variables. Complex interdependence does provide the necessary structures and yardsticks that will ensure that the relationship can be made better if Nigeria gets her acts right by improving in Science and Technology, Research and Development and other necessary factors that make for development.



## Methodology

The research design adopted in this work is Time Series. This is consequent upon the fact that the study captures the on-going trends in Nigeria-China Relations from the time under review (1999-2023). This research design also furnishes us with a continuous record of fluctuations in the experimental variables over the entire course of the study. Moreso, the study relied heavily on secondary sources of data collection and also made use of some primary sources to gather information germane to the work. The secondary sources were gathered from relevant information already existing in different libraries such as The University of Nigeria, Nsukka Library in Enugu, and the Nnamdi Azikiwe University, Awka Library. The Nigeria Institute of International Affairs based in Victoria Island, Lagos proved particularly helpful in the course of collecting secondary data. Other useful information were gathered from internet sources, journals, Etc. The primary sources consist of Key Informant Interviews conducted by the researcher in Chinese embassies in Nigeria in Lagos and Abuja respectively, as well as the Nigeria-China Chamber of Commerce in Lagos. We also interviewed extensively key experts on Nigeria-China affairs. The data generated in the course of this study were analyzed using content analysis where necessary deductions, inferences and conclusions were made.

**Data Presentation and Analysis****Table II. Volume of Trade between China and Nigeria (1999-2023)**

<b>Years</b>	<b>Total trade in Billions (US Dollars)</b>
2023	20.6
2022	22.9
2021	19.9
2020	12.8
2019	19.2
2018	18.9
2017	14.9
2016	11.1
2015	13.8
2014	14.3
2013	14.6
2012	14.3
2011	12.3
2010	10.9
2009	7.7
2008	8.3
2007	7.1
2006	6.7
2005	5.1
2004	3.3
2003	2.2
2002	1.7
2001	1.1
2000	1.1
1999	0.93

Source: UN Commodity Trade Statistics Database (2023)

The table above depicts Nigeria's trade volume with China from 1999-2023 and shows that Nigeria records a very huge volume of trade as she sources 18 percent of its imports from China and 10 percent from the U.S. Nigeria exports mostly crude oil to China and imports many consumer goods such as electronics, clothes, textiles, and so forth. The Q4 12 (fourth quarter) foreign trade statistics report of the National Bureau of Statistics (NBS) revealed that China ranked 7th on the list of Nigeria's export destinations but ranked 1st on the import list. Nigeria's imports from China rose by 10 percent to N1.21 trillion in 2012 from N1.1 trillion in 2010. However, exports to that country increased more than four times to N933.31 billion in 2012 from the N216.51 billion recorded in 2010 (NBS statistical report, 2013). According to a statistics from Chinese Customs Authority, the trade volume between China and Nigeria stood at \$22.6bn



in 2023 (Punch, 2024). The total trade volume between Nigeria and China has shown a consistent upward trend over the years, with fluctuations in certain periods. There has been a noticeable increase in trade volume starting from the mid-2000s, with trade values rising steadily since then. This growth reflects the deepening economic ties between the two countries. The trade volume experienced rapid expansion during the 2010s, with values nearly doubling from 2010 to 2013. This period corresponds with China's increasing investments in African countries, including Nigeria, as part of its Belt and Road Initiative.

While the overall trend is upward, there are fluctuations in trade volume between some years. These fluctuations could have resulted from changes in global economic conditions, commodity prices, and global financial crisis in 2008, which led to a slight decrease in trade value. The data shows a slight dip in trade volume in 2020, which could potentially be attributed to the disruptions caused by the COVID-19 pandemic. However, trade rebounded in 2021 and upwards. This significant growth in trade volume can be attributed to several factors including China's demand for natural resources such as oil, Nigeria's main export, as well as increased Chinese investments in infrastructure projects and manufacturing industries in Nigeria.

### **Unfavourable Balance of Trade between Nigeria and China**

In spite of the seemingly burgeoning trade and economic development between both countries, Nigeria still records continuous trade deficit in her dealings with China.





The table below illustrates clearly the trade imbalance between Nigeria and China from the year 1999- 2023.

**Table III: Bilateral Trade Statistics between Nigeria and China**

<b>Years</b>	<b>Total trade in Billions (US Dollars)</b>	<b>China's Exports to Nigeria (In Billion)</b>	<b>China's Imports from Nigeria ( Nigeria's Export)</b>
<b>2023</b>	20.6	18.99	1.61
<b>2022</b>	22.9	21.4	1.52
<b>2021</b>	19.9	17.4	3.4
<b>2020</b>	12.8	9.9	2.9
<b>2019</b>	19.2	15.9	3.3
<b>2018</b>	18.9	15.7	3.2
<b>2017</b>	14.9	11.9	3
<b>2016</b>	11.1	8.3	2.8
<b>2015</b>	13.8	11.1	2.7
<b>2014</b>	14.3	11.2	3.1
<b>2013</b>	14.6	11.3	3.3
<b>2012</b>	14.3	11.3	3
<b>2011</b>	12.3	9.3	3
<b>2010</b>	10.9	8.2	2.7
<b>2009</b>	7.7	5.7	2
<b>2008</b>	8.3	5.6	3.1
<b>2007</b>	7.1	4.7	2.4
<b>2006</b>	6.7	4.5	2.2
<b>2005</b>	5.1	3.4	1.7
<b>2004</b>	3.3	2.1	1.2
<b>2003</b>	2.2	1.5	0.732.5
<b>2002</b>	1.7	1	0.67
<b>2001</b>	1.1	0.72	0.42
<b>2000</b>	1.1	0.71	0.41
<b>1999</b>	0.93	0.56	0.37

Source Adapted from UN Commodity trade statistics database (2024); International Trade Center 2024)

The table above presents the bilateral trade statistics between Nigeria and China between the years 1999-2023. In spite of the volume of trade between both countries, Nigeria still records massive deficits. For instance, in 2023 out of a total trade volume of \$20.6b, China gained \$18.99b, leaving Nigeria with \$1.61 and a trade deficit of \$17.38b. This clearly depicts the large trade deficit and imbalance recorded by Nigeria in her bi-lateral trade with China.



## Discussion of Findings

In all, this research work was written with the view to inquiring into the relationship between Nigeria and China. Emphasis was laid on the political and economic aspects. It was stressed that Nigeria has all it takes to gain more from China more than it has from the West. This is as China has a more liberal disposition to Africa and indeed Nigeria in her engagement. In the course of the work, some relevant findings were made and a succinct summary shows that the economic and political relationship between Nigeria and China over the years has led to Nigeria receiving the highest volume of investment from China. These investments come in the forms of Foreign Direct Investments, (Nigeria has China as the third largest provider of FDI after the United States and the EU), the establishment of Chinese companies in Nigeria, creation of Free Trade Zones, etc.

In addition, Chinese aids and grants to Nigeria are more beneficial compared to those from the West, which are obviously exploitative. Chinese aids come in the forms of aid in cash and in kind (aid in infrastructure). These aids are given without political and/or other strings attached. All these and more, no doubt, contribute in no mean measure towards socio-economic and political developments in Nigeria. Moreover, that Nigeria and China have a robust relationship is no longer contestable. This is evident in the number of political, economic and socio-cultural ties that these two countries have established. The blossoming relationship, undoubtedly, is mutually beneficial to both countries but can indeed be made better if several areas of need are properly addressed.

Indeed, in all fairness, the relationship between Nigeria and China has not been overly smooth due certain basic to challenges militating against its sweet flow. Such issues as the influx of substandard Chinese products to Nigeria, Chinese unfair visa regimes, trade deficit recorded by Nigeria, unfair labour practices and much more threaten this relationship. As available records and statistics suggest, it has become very glaring that some of these challenges are inimical to the success of this relations and concerted efforts must be made to nip these challenges in the bud if Nigeria-China relations is to grow in leap and bounds.



## Conclusion

Over one hundred years of Africa's relations with the West has been largely exploitative and is anchored purely on a master-servant basis. China came into Africa and Nigeria in particular when it became obvious that the West has failed to provide the needed structures and processes for development in the continent. China came into the picture as a matter of economic necessity to fulfill a need hitherto ignored by the West. Historically, Nigeria formally established diplomatic relations with China in 1971, and since then, both countries have been engaging politically, economically and socio-culturally.

This relationship has been beneficial to both countries but has not been without some obvious hitches. Indeed, China seems to benefit more as she has developed her Science and Technology infrastructure more than Nigeria. China also has a larger export base more than Nigeria does but the fact of the matter remains that Nigeria benefits from this relationship albeit not in the same vein as China does. The position of this paper is that given the available yardsticks and from the way the intercourse is moving, this relationship can be made better and in the favour of Nigeria if Nigeria gets her domestic policies and priorities right and tries as much as she can to bargain from a position of strength and in keeping with global realities.

## Recommendations

Following some of the findings deduced from this work, the following recommendations are put forward:

1. Nigeria should key into the steps being taken by China to adopt policy reforms in favour of importation of Nigerian products. With ongoing establishment of a trade zone for Chinese goods in Nigeria, trade imbalances between the countries can improve significantly where raw materials are available for producers. This is already realizable as the Lekki Free Trade Zone is being constructed by a consortium of Chinese companies and the Lagos State government and other interested firms.
2. Advances in science and technology in Nigeria are essential for economic growth, development and social progress. The Chinese government through its ministry of science has initiated science and technology plans with Africa and has been cooperating and partnering with



Nigeria in the construction of projects. This, however, is commendable and should be encouraged and sustained in order to enhance capacity building and technology know-how.

3. The agricultural sector must be stressed. Many private sectors are beginning to invest in Nigeria's agricultural sector; however, the number of Chinese investors in the sector is still small. More Chinese need to be encouraged to invest in Nigeria's agricultural sector to expand her investment in Nigeria's agricultural sector.

4. Just as China learned from the advanced countries of the West and her neighbours and applied the knowledge in the process of her development, Nigeria should also learn from China and apply the lessons as it suits her environment.

5. For Nigeria- China relations to continue to grow as expected, China must respect the views, values and aspirations of Nigerians and should also be sensitive to critical issues such as human rights on the continent.

6. Both countries should devise sustainable ways and means of fighting corruption in their various countries so as to nip in the bud the influx of Chinese made sub standard products into Nigeria.

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